

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Balance Sheet**  
**As of 6/30/2008**

8/12/2008

	As of <u>6-30-08</u>	As of <u>6-30-07</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 656,594,517	\$ 770,492,688
INTERNATIONAL EQUITIES	381,460,498	490,001,433
DOMESTIC FIXED INCOME	368,635,792	344,949,636
INTERNATIONAL FIXED INCOME	90,585,955	84,675,151
REAL ESTATE	218,557,672	212,437,075
ALTERNATIVE INVESTMENTS	101,316,753	87,610,571
INVESTED CASH (NOTE 1)	<u>4,421,123</u>	<u>16,588,981</u>
 TOTAL INVESTMENTS	 1,821,572,310	 2,006,755,535
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	7,971,834	8,366,607
CONTRIBUTIONS RECEIVABLE	8,065,995	8,058,323
MISCELLANEOUS RECEIVABLE	<u>5,361</u>	<u>3,064</u>
 TOTAL RECEIVABLES	 16,043,190	 16,427,994
 <b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	21,349,349	143,933,101
OPERATING CASH (NOTE 3)	11,156,236	9,950,883
FIXED ASSETS (NET OF ACCUM DEPR)	<u>555,989</u>	<u>789,382</u>
 TOTAL ASSETS	 <u>\$ 1,870,677,074</u>	 <u>\$ 2,177,856,895</u>
 <b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	21,349,349	143,933,101
ACCOUNTS PAYABLE	64,609	57,716
ACCRUED EXPENSES	514,856	483,601
CAPITAL LEASE PAYABLE	0	1,210
INVESTMENT EXPENSES PAYABLE	<u>2,634,849</u>	<u>3,603,855</u>
 TOTAL LIABILITIES	 24,563,663	 148,079,483
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	2,029,777,412	1,721,308,223
CASH IN DURING YEAR (NOTE 4)	141,658,999	154,153,000
CASH OUT DURING YEAR (NOTE 5)	141,658,999	154,153,000
NET INCREASE (DECREASE)	<u>(183,664,001)</u>	<u>308,469,189</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,846,113,411</u>	 <u>2,029,777,412</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,870,677,074</u>	 <u>\$ 2,177,856,895</u>

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Profit and Loss Statement**  
**For the Month Ended 6/30/2008**

	Month Ended <u>6-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 5,153,697	\$ 50,161,787
SECURITIES LENDING INCOME	<u>62,332</u>	<u>2,918,949</u>
	5,216,029	53,080,736
 GAIN ON SALE OF INVESTMENTS	 16,922,655	 231,908,386
LOSS ON SALE OF INVESTMENTS	<u>16,500,121</u>	<u>194,450,618</u>
 NET GAINS (LOSSES) INVESTMENTS	 422,534	 37,457,768
 INVESTMENT EXPENSES	 16,349	 11,359,487
SECURITIES LENDING EXPENSES	<u>(13,260)</u>	<u>2,558,737</u>
 NET INVESTMENT INCOME	 5,635,474	 76,620,280
 NET APPREC (DEPREC) MARKET VALUE	 (100,343,066)	 (215,989,138)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(195,102)</u>	<u>(1,272,201)</u>
 TOTAL INVESTMENT INCOME	 (94,902,694)	 (140,641,059)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 6)	 17,885,190	 66,921,227
PURCHASED SERVICE CREDIT (NOTE 7)	773,667	3,636,528
PENALTY & INTEREST (NOTE 8)	<u>14,884</u>	<u>15,634</u>
 TOTAL ADDITIONS	 <u>(76,228,953)</u>	 <u>(70,067,670)</u>
 DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 9)	9,070,814	105,764,195
PARTIAL LUMP SUM BENEFITS PAID	448,038	692,139
REFUNDS TO MEMBER (NOTE 10)	<u>216,956</u>	<u>5,500,476</u>
 TOTAL BENEFITS PAID	 9,735,808	 111,956,810
 ADMINISTRATIVE EXPENSES	 392,662	 1,639,521
 TOTAL DEDUCTIONS	 <u>10,128,470</u>	 <u>113,596,331</u>
 NET INCREASE (DECREASE)	 <u>\$ (86,357,423)</u>	 <u>\$ (183,664,001)</u>

**TEACHERS' FUND FOR RETIREMENT**  
**Notes To Financial Statements**  
**June 30, 2008**

8/12/2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

**NOTE 1**            **INVESTED CASH**

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

**NOTE 2**            **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

**NOTE 3**            **OPERATING CASH**

TFFR money market and checking accounts at the Bank of North Dakota.

**NOTE 4**            **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

**NOTE 5**            **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

**NOTE 6**            **CONTRIBUTIONS**

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

**NOTE 7**            **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

# TEACHERS' FUND FOR RETIREMENT

8/12/2008

## Notes to Financial Statements

6/30/2008

### NOTE 8            PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions.

### NOTE 9            BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

### NOTE 10          REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.